

WILLMAR CITY COUNCIL PROCEEDINGS
BOARD ROOM
HEALTH AND HUMAN SERVICES BUILDING
WILLMAR, MINNESOTA

July 19, 2021
6:00 p.m.

The regular meeting of the Willmar City Council was called to order by the Mayor Marv Calvin. Members present on a roll call were Mayor Marv Calvin, Council Members Rick Fagerlie, Julie Asmus, Thomas Butterfield, Michael O'Brien, Justin Ask, Vicki Davis, Andrew Plowman, and Audrey Nelsen. Present 9, Absent 0.

Also present were City Administrator Leslie Valiant, Interim City Administrator John Harren, Police Chief Jim Felt, Parks and Recreation Director Rob Baumgarn, Planning and Development Services Director David Ramstad, City Clerk Judy Thompson, and City Attorney Robert Scott.

Additions/deletions to the agenda included: Mayor Calvin stated Council Member O'Brien would like to make a few comments later in the meeting.

Council Member Fagerlie moved to approve the agenda, as amended. Council Member Nelsen seconded the motion which carried.

City Clerk Judy Thompson reviewed the consent agenda.

- A. City Council Minutes of July 6, 2021
- B. Willmar Municipal Utilities Commission Minutes of June 28, 2021
- C. Planning Commission Minutes of June 30, 2021
- D. Planning Commission Minutes of July 7, 2021
- E. Accounts Payable Report for June 25 – July 8, 2021
- F. Application for Municipal Utilities Commission – Shawn Mueske
- G. **Resolution No. 2021-158** Acknowledge Donations for 2nd Quarter of 2021
- H. Miscellaneous Finance Reports
- I. Building Report for the Month of June, 2021

Council Member Fagerlie offered a motion to introduce **Resolution No. 2021-157 Approving Consent Agenda Items**. Council Member Asmus seconded the motion which carried, on a roll call vote of Ayes 8, Noes 0.

Mayor Calvin welcomed new City Administrator Leslie Valiant.

At 6:04 p.m. Mayor Calvin opened the public hearing for the establishment of tax increment financing (TIF) district and approval of TIF plan and development agreement for Suite Liv'n Ridgewater site. Planning and Development Director Ramstad briefed the Council on the proposed project.

BakerTilly Representative Tom Denaway explained the TIF process.

Kandiyohi County and Willmar Economic Development Director Aaron Backman spoke in favor of the project and presented his observations.

Jamie Joy Johnson, Willmar, spoke in favor of good housing.

There being no others to speak for or against the project, Mayor Calvin closed the public hearing at 6:25 p.m. and opened it up for discussion by the Council. Following a lengthy discussion, Council Member Fagerlie introduced **Resolution No. 2021-159 Approving the Establishment of Tax Increment Financing District Suite Liv'n Ridgewater Site Within Municipal Development District No.11; and Adoption of the Tax Increment Financing Plan Relating Thereto**. Council Member Plowman seconded the motion which carried, on a roll call vote of Ayes 8, Noes 0.

Resolution No. 2021-160 Approving the Tax Increment Financing Agreement with AEHN LLC. was introduced by Council Member Plowman. Council Member Nelsen seconded the motion which carried, on a roll call vote of Ayes 7, Noes 1. Council Member O'Brien voted "no".

Planning and Development Director Ramstad presented a preliminary overview of the proposed TIF plan for "Block 25-Lofts" project, and was asking for Council's support to move forward with the project.

Following discussion, Council Member Asmus offered a motion to approve staff's recommendation. Council Member Davis seconded the motion which carried.

Police Chief Felt presented a request to amend City Code Section 3-93 to allow on-sale liquor sales at boxing, mixed martial arts and other specific contests regulated by the MN State Boxing Commission in conjunction with specified law enforcement and security requirements set forth in the proposed ordinance change, and set a public hearing for August 2, 2021.

Following a lengthy discussion, Council Member Plowman offered a motion to amend the proposed amendment by reducing the at least one licensed private security guard for every 300 attendees, to 200 attendees, and at least one licensed personnel member for every 75 attendees to 50 attendees, and **introduced an Ordinance Amending Willmar Municipal Code, Chapter 3, Alcoholic Beverages, Article III, Sale of Intoxicating Liquor for On-Premises Consumption, Division 1, Generally, Section 3-93, Prohibited Activities in Premises of On-Sale Liquor Licensees** and set a public hearing for August 2, 2021 at 6:01 p.m. Council Member Fagerlie seconded the motion which carried unanimously.

Interim City Administrator Harren opened the discussion to schedule a special meeting to discuss and prioritize the Capital Improvement Plan and receive presentation from staff regarding Pavement Management Plan.

Following discussion, consensus of the Council was to conduct a poll for availability of Council for the week of August 9th. Other options would be to add the Capital Improvement Plan discussion to the agenda on August 2nd, and the Pavement Management Plan to the agenda on August 16th.

Mayor and Council thanked Interim Administrator Harren for his assistance and tremendous working relationship over the last few weeks.

City Administrator Valiant briefed the Council on two items asked of her during her interview process – one being, a proposed timeline for hiring an Assistant Administrator, and the other being the Capital Improvement Plan. Ms. Valiant stated her intentions to begin the hiring process within the next 45 days or so for the Assistant Administrator, and work on the Capital Improvement Plan has already begun.

Council Member O'Brien noted the power outage rate for the City of Willmar over the last few years has been exceptional, with the average outage being two minutes or less. He commended Municipal Utilities General Manager John Harren for an exceptional job by himself and his staff.

Council Member Asmus inquired about the current process, since committee structure is no longer in place, for businesses that fail liquor compliance checks.

Chief Felt explained the process would be to appear before Council.

City Attorney Scott stated there are a few other options that could be used.

Mayor Calvin offered the following comments: "Hats Off" to Rockin' Robbins for hosting the event, great attendance last week, and thanked the Rotary Club for their investment into the infrastructure of Robbins Island and their future plans; "Congratulations" to Youth for Christ on their upcoming construction project which is planned to start next week for 2nd Street SW and Litchfield Avenue SW; thanked Council who attended the ground-breaking ceremony for Swansson Field project.

Council Member Fagerlie offered the following comments: the Youth-9 baseball team placed second at the baseball tournament held this past weekend in the metro area.

Council Member Fagerlie offered a motion to adjourn the meeting with Council Member Asmus seconding the motion which carried. The meeting adjourned at 7:54 p.m.

/s/ Marv Calvin
MAYOR

Attest:

/s/ Judy Thompson
SECRETARY TO THE COUNCIL

RESOLUTION NO. 2021-157
APPROVING CONSENT AGENDA ITEMS

Motion By: Fagerlie Second By: Asmus

WHEREAS, the City Charter for the City of Willmar requires the City Council approve all Consent Agenda items by resolution.

BE IT RESOLVED by the City Council of the City of Willmar Minnesota, that all Consent Items of the July 19, 2021 City Council meeting be approved as presented.

Dated 19th day of July, 2021

/s/ Marv Calvin
MAYOR

Attest:

/s/ Judy Thompson
CITY CLERK

RESOLUTION NO. 2021-158
ACKNOWLEDGEMENT OF DONATIONS

Motion By: Fagerlie Second By: Asmus

WHEREAS, the City of Willmar has received donations which have been acknowledged by the City

Administrator expressing the community's appreciation for the time period of April 1, 2021 through June 30, 2021.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Willmar, Minnesota that the City formally accept the donations as listed below:

\$ 4,119.27 – 100 Yard Club to Recreation Department for Flag Football Equipment
\$ 300.00 – Blomkest Fire Relief Association for Willmar Fire Explorers Program
\$ 250.00 – Fraternal Order of Eagles for "Summer Movies in the Park"
\$ 500.00 – Northern Factory Sales Inc. for "Summer Movies in the Park"
\$ 250.00 – 5 Star Walt's Inc. for "Summer Movies in the Park"
\$ 600.00 – Chris Drevlow to Fire Department to Purchase Thermal Camera
\$20,790.00 – Glacial Ridge Curling to Design Refrigeration System for new Curling Facility
\$ 8,200.00 – Elaine M. Adams Fund of WACF for Rau Park Fishing Pier and Picnic Tables
\$ 50.00 – Allergy & Asthma Specialty Clinic for "Summer Movies in the Park"
\$ 2,500.00 – CenterPoint Energy for Policy Dept. Community Safety Grant Program
\$ 150.00 – Lisa Liebl to Police Department for K-9 Program

Dated this 19th day of July, 2021

/s/ Marv Calvin
MAYOR

Attest:

/s/ Judy Thompson
CITY CLERK

RESOLUTION NO. 2021-159

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLMAR, MINNESOTA, APPROVING THE ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT SUITE LIV'N RIDGEWATER SITE WITHIN MUNICIPAL DEVELOPMENT DISTRICT NO. II; AND ADOPTION OF THE TAX INCREMENT FINANCING PLAN RELATING THERETO.

Motion By: Fagerlie Second By: Plowman

WHEREAS, the Willmar City Council ("Council") has heretofore established Municipal Development District No. II (the "Development District") and adopted a Development Program therefor pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.124 to 469.133 and Sections 469.174 to 469.1794, all inclusive, as amended, (the "Act").

WHEREAS, the City has investigated the facts and caused to be prepared a tax increment financing plan for Tax Increment Financing District Suite Liv'n Ridgewater Site (the "Tax Increment Financing District"), which plan is appended hereto as Appendix A (the "Tax Increment Financing Plan").

WHEREAS, the City has performed all actions required by law to be performed prior to the creation of the Tax Increment Financing District within the Development District, the adoption of the Tax Increment Financing Plan relating thereto, including, but not limited to, notification of Kandiyohi County and Independent School District No. 347, having taxing jurisdiction over the property in the TIF District, a review of and written comment on the Tax Increment Financing Plan by the City of Willmar Planning Commission, and the holding of

a public hearing upon published notice as required by law.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar as follows:

1. Creation of Tax Increment Financing District Suite Liv'n Ridgewater Site within Municipal Development District No. II. The City hereby approves the establishment of the Tax Increment Financing District within the Development District, the boundaries of which are fixed and determined as described in the Tax Increment Financing Plan.

2. Tax Increment Financing Plan. The Tax Increment Financing Plan appended hereto is adopted as the tax increment financing plan for the Tax Increment Financing District, and the Council makes the following findings:

a. The Tax Increment Financing District is a Housing District as defined in Minnesota Statutes, Section 469.174, Subdivision 11 and satisfies the criteria set forth therein for these reasons:

i. The planned improvements consist of the following:

- A 72-unit housing complex across four new buildings in which at least 40% (29) of the rental units will be occupied by persons with incomes no greater than 60% of the area median income;
- At least 80% of the proposed development will be used for residential purposes.

3.

- The City will require in the development agreement that the income limitations for the rental units in the apartment project will apply for the duration of the TIF District.

b. The proposed development, in the opinion of the Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and therefore the use of tax increment financing is deemed necessary. This finding is based on an analysis of the project pro forma and other materials submitted to the City by the developer. These documents have indicated that the reduction in annual revenues due to the lower rents associated with providing affordable housing units will result in returns that are not sufficient to support development and an operating cashflow insufficient to meet expected financing requirements, thereby making this housing development infeasible without public assistance. Therefore, the developer has indicated in communications with the City and submitted financial data that the development as proposed would not move forward without tax increment assistance.

4.

c. The Tax Increment Financing Plan conforms to the general plan for development of the City as a whole in that the TIF Plan is consistent with the objectives of the Development Program for the Development District and will generally complement and serve to implement policies adopted in the City's comprehensive plan.

5.

d. The Tax Increment Financing Plan will afford maximum opportunity, consistent with the sound needs of the City of Willmar as a whole, for the development of the Tax Increment Financing District by private enterprise because through the implementation of the TIF Plan, the City will provide an impetus for an affordable apartment complex, which complements the overall housing needs of the City and helps support other private types of development by providing a range of housing opportunities for residents and workers within the City.

3. Public Purpose. The Council finds that the adoption of the Tax Increment Financing Plan conforms in all respects to the requirements of the Act and will provide the impetus for the development of previously undeveloped property in the City and help fulfill a need in the community for a range of housing

opportunities for residents and workers in the City, specifically including high quality affordable housing units, and thereby serves a public purpose.

4. Certification. The Auditor of Kandiyohi County is requested to certify the original net tax capacity of the Tax Increment Financing District as described in the Tax Increment Financing Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased in accordance with the Act; and the Planning and Development Services Director is authorized and directed to forthwith transmit this request to the County Auditor in such form and content as the Auditor may specify, together with a list of all properties within the Tax Increment District for which building permits have been issued during the 18 months immediately preceding the adoption of this Resolution.

5. Filing. The Planning and Development Services Director is further authorized to file a copy of the Tax Increment Financing Plan with the Commissioner of Revenue and the Office of the State Auditor pursuant to Minnesota Statutes, Section 469.175, Subd. 4a.

6.

Dated this 19th day of July, 2021

/s/ Marv Calvin
Mayor

Attest:

/s/ Judy Thompson
City Clerk

APPENDIX A
TAX INCREMENT FINANCING PLAN

RESOLUTION NO. 2021-160

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLMAR, MINNESOTA, APPROVING THE TAX
INCREMENT FINANCING AGREEMENT WITH AEHN LLC**

Motion By: Plowman

Second By: Nelsen

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, that the Tax Increment Financing Agreement with AEHN LLC appended hereto, is accepted as to form and hereby approved, and be it further resolved that the Mayor and City Administrator of the City of Willmar are hereby authorized to execute said agreement on behalf of the City.

Dated this 19th day of July, 2021

/s/ Marv Calvin
Mayor

Attest:

/s/ Judy Thompson
City Clerk